

* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

% **Judgment Reserved on : 10th March, 2022**
Judgment Delivered on : 23rd March, 2022

+ **CS(COMM) 426/2019 & IA No.5433/2021 (u/O.XXXIX R.2A of the CPC)**

KENT RO SYSTEM LTD. & ANR. Plaintiffs
Through: Mr. Jayant K. Mehta, Senior Advocate with Ms. Rajeshwari H., Mr. Deepanshu Nagar and Mr. P.D.V. Srikar, Advocates.

versus

GATTUBHAI & ORS. Defendants
Through: Mr. C.M. Lall, Senior Advocate with Mr. Subhash Bhutoria, Mr. Amit Panigrahi, Ms. Ananya Chug, and Ms.Trushita Mehra, Advocates.

CORAM:
HON'BLE MR. JUSTICE AMIT BANSAL

JUDGMENT

AMIT BANSAL, J.

IA No.1953/2022 (for directions)

1. In light of the judgment passed today in IA No.10997/2019 and IA No. 704/2020, the present application stands disposed of as satisfied.

IA No.10997/2019 (u/O.XXXIX R.1&2 of the CPC) & IA No. 704/2020 (of the defendants u/O.XXXIX R.4 of the CPC)

2. By the present order, I propose to dispose of the application filed on behalf of the plaintiffs under Order XXXIX Rules 1 and 2 of the Code of Civil Procedure, 1908 (CPC) for grant of interim injunction and the

application filed on behalf of the defendants under Order XXXIX Rule 4 of the CPC for vacation of *ex parte* ad-interim injunction granted by this Court vide order dated 13th August, 2019.

3. Vide order dated 13th August, 2019, this Court had passed an *ex parte* ad-interim injunction restraining the defendants from manufacturing, selling, offering for sale, advertising or in any manner dealing on product bearing a mark 'KENT' or 'KENT APPLIANCES' or variants thereof or any other mark or logo or trade name, which is deceptively similar to the trade mark of the plaintiffs.

4. The case set up by the plaintiff in the plaint is that:-

- (i) The plaintiff no. 1 is Kent RO System Ltd. and the plaintiff no.2 is the Chairman and Managing Director of the plaintiff no.1.
- (ii) The defendant no.1, Gattubhai Ashit Dagli, as per the website <http://kentappliances.com> & www.indiamart.com, is believed to own and control an enterprise, Kent Appliances. The defendant no.2, Ashit Jaswantraai Dagli, is also associated with the defendant no.1 in controlling Kent Appliances. The defendant no.2 and the defendant no.3, Himanshu Jaswantraai Dagli, carry on business under the name and style of 'Shilpa Electricals' in respect of sale of electrical and home appliances.
- (iii) The mark 'KENT' was adopted by the plaintiffs in the year 1988 in respect of products relating to petroleum conservation.
- (iv) In 1999, the plaintiffs started using the mark 'KENT' in respect of its water purifier systems.

- (v) Over time, the plaintiffs diversified into other products such as grinders, blenders and other kitchen appliances sold under the mark 'KENT' and variants thereof.
- (vi) Besides holding the trade mark registration for the mark 'KENT', the plaintiffs also hold the copyright registration in respect of its logo.
- (vii) The trade mark 'KENT' is registered in India in various classes, details of which trade mark registrations, in favour of the plaintiffs, are given in paragraph 15 of the plaint.
- (viii) The plaintiffs have achieved impressive annual sales and spent huge amounts on advertisement and publicity in respect of the products bearing trade mark 'KENT' from the year 2015-16 to 2017-18, as stated in paragraph 21 of the plaint.
- (ix) Various celebrities have been the brand ambassadors of the plaintiff no.1, details of which brand ambassadors are provided in paragraph 23 of the plaint.
- (x) The plaintiff no.1 has also been the sponsor of various sporting events and has won many awards in respect of its products.
- (xi) The marks of the plaintiffs have been recognised as "well known trade marks" in various judicial orders, the details of which judicial orders are given in paragraph 27 of the plaint.
- (xii) In and around March, 2019, the plaintiffs came to know of the defendants selling products such as thermo flasks and other home appliances under the identical mark of 'KENT'.
- (xiii) The defendants have adopted the mark 'KENT' in the same colour scheme of blue and white of the plaintiffs.

- (xiv) The products sold by the defendants under the mark 'KENT' are available on the website, <http://kentappliances.com>, and other third party websites.
 - (xv) Various oppositions have been filed by the defendants opposing the registration of the marks of the plaintiffs in Classes 7 and 21.
 - (xvi) Various registrations have also been granted in favour of the defendants in respect of the word mark 'KENT' in Class 7 and Class 21 since the year 2004.
5. Based on the above averments in the plaint, the senior counsel appearing on behalf of the plaintiffs has made the following submissions:-
- (i) The defendants use labels such as 'BLACK GOLD' and 'RED PLUS' for their products, however, the defendants also use the word mark 'KENT' in a *malafide* manner to give an impression to the public that the said products emanate from the plaintiffs.
 - (ii) The defendants have been using the mark 'KENT' in the same colour scheme, font and background, being a blue background, thereby causing confusion.
 - (iii) The defendants have failed to give any evidence in respect of their prior use of the trade mark 'KENT'. The earliest invoice filed on behalf of the defendants is of the year 2017.
 - (iv) The registration of 'KENT' is of no consequence, unless the defendants are able to establish prior use.
 - (v) The goods of the plaintiffs and the defendants are allied and cognate goods, which are available at the same shops. Therefore, there is likelihood of confusion amongst the public.

- (vi) The act of the defendants amounts to infringement of the registered trade marks as well as copyright of the plaintiffs in the logo 'KENT'.
- (vii) The defendants have also committed the act of passing off their goods as those of the plaintiffs.
- (viii) Reliance is placed upon the judgments in *Smithkline Beecham Plc. & Anr. Vs. Sunil Sarmalkar & Ors.*, 2012 (132) DRJ 880, *Kamat Hotels (India) Ltd. Vs. Royal Orchid Hotels Ltd. & Anr.*, 2011 (4) Mh.LJ 71, *Assam Roofing Ltd. & Anr. Vs. JSB Cement LLP & Anr.*, 2015 SCC Online Cal 6581, *M/s. Hindustan Pencils Private Limited Vs. M/s. India Stationery Products Co. & Anr.*, ILR (1989) I Delhi, and *S. Syed Mohideen Vs. P. Sulochana Bai*, (2016) 2 SCC 683.

6. The senior counsel appearing on behalf of the defendants contends that the plaintiffs have suppressed and concealed material facts and in this regard, the senior counsel for the defendants has made the following submissions:-

- (i) Attention of the Court is drawn to the email dated 11th May, 2012 written by a representative of the plaintiff no.1 to the defendant no.1, enclosing therewith a Draft Trade Mark Co-existence Agreement proposed to be entered between the plaintiffs, Sagar Home Appliances and Shilpa Electricals (hereinafter referred to as the 'Draft Agreement').
- (ii) In the aforesaid Draft Agreement, which emanated from the plaintiffs, it has specifically been noted that Sagar Home Appliances and Shilpa Electricals are related entities in the sense that the respective proprietors thereof, the defendants no.3 and 2 are real brothers. It has further been noted therein that Sagar Home Appliances is in the

business of manufacturing and marketing domestic utensils and containers and has registered the mark 'KENT' under registration no.1317668 in Class 21 and Shilpa Electricals is in the business of manufacturing and marketing electrical and non-electrical home appliances and has registered the mark 'KENT' under registration no.1275069 in Class 7.

- (iii) As per the communications exchanged between the parties in May, 2014, the plaintiff no.2 has offered to settle the matter with the defendants.
- (iv) In light of the aforesaid, the plaintiffs have wrongly stated in paragraph 39 of the plaint that the plaintiffs came to know about the products of the defendants only in March, 2019.
- (v) In the opposition applications filed by the defendants, it has been specifically claimed that Sagar Home Appliances and Shilpa Electricals are the registered proprietors of the trade mark 'KENT' since 2004 in respect of domestic utensils.
- (vi) The plaintiffs' own stand, as was reflected in the Draft Agreement, was that there was no confusion between the marks as they were used in relation to different products. Therefore, the plaintiffs are now estopped from taking a different stand.
- (vii) To facilitate the passing of the *ex parte* ad-interim injunction order of this Court on 13th August, 2019, a wrong impression has been conveyed by the plaintiffs to the Court in the sense that the plaintiffs never came across any product of the defendants till March, 2019 and that the registration application filed on behalf of the defendants has

been abandoned by them, when in fact the defendants are the registered proprietors of the trade mark 'KENT' since 2004.

- (viii) Based on the aforesaid suppressions, the plaintiffs obtained the *ex parte* ad-interim injunction order dated 13th August, 2019 in its favour, which is set out as under:-

*“4. It is stated that the defendants, as per available information, have filed some paper opposition against the trade mark registrations held by the plaintiffs but the same are bereft of merits. **It is stated that the plaintiffs' field forces never came across any product of the defendants with the mark KENT till recently in March 2019.** It is stated that the defendant have forayed into a wide range of household products such as frying pan, mixer, flasks, etc. and that the defendants malafidely uses KENT on these products merely to given an impression to the public that the products emanate from the plaintiffs...*

*5. Learned counsel for the plaintiffs stresses that though the defendants have also filed for registration of the trade mark KENT in Class 21 in 2007 claiming user since 1996, however, it is pleaded that there is nothing filed on record by the defendants to show user since 1996. **She further states that the said application is more or less has been abandoned.** She however stresses that the plaintiffs have been using the mark since 1996. It has also copyright registration on the logo being used.”*

- (ix) On the issue of suppression, reliance is placed on the judgments in ***SJS Business Enterprises (P) Ltd. Vs. State of Bihar & Ors.***, (2004) 7 SCC 166 and ***Harkirat Singh Vs. Amrinder Singh***, (2005) 13 SCC 511.

7. On merits, it is contended on behalf of the defendants that:-

- (i) The defendant no.2, on behalf of Shilpa Electricals, obtained registration of the word mark 'KENT' in Class 7 as far back as on 26th March, 2004, while claiming user from 31st October, 1996, in respect of mixers, grinders, juicers, blenders, chutney attachments, motors, ghar ghanti, parts and fittings of aforesaid goods included in Class 7. Another registration of 'KENT' as a device was obtained in Class 21 on 28th October, 2004, in respect of domestic utensils and containers, pressure cookers, pressure pans, fry pans, non-stick cookware, thermowares, dinner sets, sev machines, grinding, mixing, juice extracting, chopping and grating machines, (all hand operated) hand toasters, articles of kitchenware, glassware, parts and fittings included in Class 21.
- (ii) Till date, there has been no challenge on behalf of the plaintiffs to the aforesaid registrations. No rectification application has been filed under the Trade Marks Act, 1999.
- (iii) Shilpa Electricals, as under the defendant no.2, and Sagar Home Appliances, as under the defendant no.3, have been in business since 1991 and 1998 respectively. Reliance in this regard is placed on the Registration Certificates obtained under Bombay Shops and Establishments Act, 1948 and the Certificate of Registration under Section 22/22A of the Bombay Sales Tax Act, 1959.
- (iv) To establish the user of the trade mark 'KENT' from at least 29th February, 2004, the defendants have relied upon the Quality Control Certificate dated 3rd August, 2005 issued to Shilpa Electricals (pg. 20 of the documents filed by the defendants), Manufacturer's Certificate dated 3rd August, 2005 issued to Shilpa Electricals (pg. 22 of the

documents filed by the defendants) and the Communication dated 22nd December, 2014 granted by the Bureau of Indian Standards (pg. 23 of the documents filed by the defendants).

- (v) It is only in the year 2018, when the plaintiffs decided to launch their products in the field of kitchen appliances that they decided to file the present suit for grant of injunction against the defendants. The plaintiffs have only disclosed that the plaintiffs launched oil/petroleum products under the mark 'KENT OIL METERS' in 1988 and water purifier systems under the mark 'KENT RO WATER MAKER' in 1999. The plaintiffs have deliberately not disclosed in the plaint, the date of the launch of kitchen appliances.
- (vi) In view of the registrations of the trade mark 'KENT' in favour of the defendants under Class 7 and Class 21, in terms of Section 28 of the Trade Marks Act, the defendants have the exclusive right to use the mark 'KENT'.
- (vii) The defendant no.2 has filed a suit for infringement against the plaintiffs before the High Court of Bombay being Commercial IP Suit No. 24514/2021, as it is the defendants, who are entitled to injunction against the plaintiffs for using the trade mark 'KENT' in respect of household and kitchen appliances.
- (viii) The defendants are entitled to the concurrent user of the trade mark 'KENT' in terms of Section 28(3) of the Trade Marks Act.
- (ix) In terms of Section 29(1) of the Trade Marks Act, an action for seeking injunction can only be initiated against a non-registered user. In view of the fact that the defendants are registered users, the infringement action is not maintainable.

- (x) No case of passing off is made out by the plaintiffs, as the defendants are the prior user of the word mark 'KENT' in respect of kitchen appliances and on account of the stand taken by the plaintiffs that there is no likelihood of confusion.
- (xi) The defendants have adopted the word mark 'KENT' in respect of its products before the plaintiffs. The defendants have claimed user of the mark since 1996 and have placed documents on record to show user, at the very latest, in the year 2004, whereas the plaintiffs have not placed any user details of the trade mark 'KENT' in respect of kitchen appliances prior to the defendants. The first advertisement of the plaintiffs in respect of water purifiers was published only on 17th December, 2003.
- (xii) The plaintiffs' claim for injunction is also barred on the grounds of delay and acquiescence. Reliance in this regard is placed on the judgment in *M/s. Hindustan Pencils Pvt. Ltd.* (supra).
- (xiii) The plaintiffs have abandoned their right to challenge the registration granted in favour of the defendants. In the present suit, issues were framed on 26th February, 2020 and no issue with regard to invalidity of the defendants' mark was framed. Reliance in this regard is placed on the judgment in *Country Inn Private Limited Vs. Country Inns and Suites by Carlson, Inc. & Anr.*, (2018) 74 PTC 548.
- (xiv) Reliance is placed on the judgment of this Court in *Wander Ltd. & Anr. Vs. Antox India P. Ltd.* 1990 Supp SCC 727 to contend that the Court should be slow in granting injunction where a defendant has been running his business for a long period of time. In I.A.5433/2021 filed by the plaintiffs under Order XXXIX Rule 2A of the CPC, the

plaintiffs themselves have filed documents to show that the products were being sold by the defendants with the mark 'KENT' since the year 2011.

8. In rejoinder, it has been contended on behalf of the plaintiffs that:-
 - (i) The registration certificates and sales tax certificates placed on record by the defendants do not constitute proof of user by the defendants.
 - (ii) No details with regard to sales, turnover or advertisement expenses have been given by the defendants.
 - (iii) The Draft Trademark Co-Existence Agreement, relied upon by the defendants, is not acknowledgement by the plaintiffs of user by the defendants.
 - (iv) In view of the dishonest adoption of the plaintiffs' trade mark by the defendants, delay cannot be the ground for not granting injunction.
 - (v) There has been no concealment on behalf of the plaintiffs.

9. I have perused the record and heard the submissions advanced on behalf of the parties. I now proceed to give my findings.

10. The present suit has been filed based on infringement of the marks of the plaintiffs by the defendants as well as passing off.

11. First, I propose to deal with the issue of suppression and concealment raised on behalf of the defendants as against the plaintiffs.

12. Strong reliance has been placed by the defendants on the emails exchanged between the parties in the years 2012 and 2014. The defendants have submitted that an email dated 11th May, 2012 was sent by a representative of the plaintiff no.1 to the defendant no.1, attaching therewith a '**DRAFT TRADE MARK CO-EXISTENCE AGREEMENT**'. The said email is reproduced below:-

“Dear Gattu Bhai,

As discussed kindly find "Draft Trademark Co-Existence Agreement" for your approval.

If it suits you, you may send a suitable letter for withdrawal of Opposition / Oppositions thru email to me and Officer, TM Registrar, Delhi. I personally think we should put and end to this issue once and for all. A very expeditious action is the requirement of the day.

Thanking you,

With regards.

*Brig. (Dr.) Pran Gaur, SM (Retd.)
Vice President — Corporate Affairs”*

13. Now, a reference may be made to the said Draft Agreement that was attached to the aforesaid email. The relevant recitals as well as clauses of the said Draft Agreement are set out below:-

“WHEREAS Kent is in the business of manufacturing and marketing water and air purifier systems and other health care products.

AND WHEREAS Kent is the proprietor of the mark and name KENT and variants thereof and has registered or applied for registration of the same in classes 7 and 11, details whereof are attached as Annexure A hereto.

AND WHEREAS Sagar is in the business of manufacturing and marketing domestic utensils and containers and has registered the mark KENT under No.1317668 in class 21 respect of domestic utensils and containers, pressure cookers, pressure pans, fry pans, non-stick cookware, thermowares, dinner sets, sev machines, grinding, mixing, juice extracting, chopping and grating machines, (all hand operated) hand toasters, articles of

kitchenware, glassware, parts and fittings of these goods uses its mark KENT in relation to these goods only.

AND WHEREAS Shipla is in the business of manufacturing and marketing electrical and non-electrical home appliances and has registered the mark KENT under no. 1275069 in class 07 in respect of mixers, grinders, juicers, blenders, chutney attachment motors, ghat ghanti and parts of such goods and uses its mark KENT in relation to these goods only.

AND WHEREAS Sagar and Shipla are related entities in that the respective proprietors thereof, Shri Himanshu Jaswanti Dagli and Shri Ashit Jaswanti Dagli are real brothers.

AND WHEREAS the parties wish to define the scope of use of their respective KENT trademarks in India and abroad

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1. Kent shall not use or apply for registration of the mark KENT or variants thereof in respect of goods for which Sagar and Shilpa have registered their respective KENT marks in classes 21 and 7.

2. Sagar shall not use or apply for registration of the mark KENT in respect of water and air purifiers or any other goods falling in Classes 7 and 11.

3. Shilpa shall not extend use of the mark KENT to goods other than mixers, grinders, juicers, blenders, chutney attachment motors, ghat ghanti and parts of such goods in class 7 or make any application to register its mark in respect of such other goods in class 7. It shall also not use or apply for registration of the mark KENT in respect of any goods falling in Class 11.”

14. Reference may also be made to the letter dated 23rd May, 2014 written by the defendant no.2, on behalf of Shilpa Electricals, to the plaintiff no.2 as follows:-

“.....In connection with the above matters, sometime in the beginning of last year, your representative, Brigadier Mr Gaur contacted me for amicable settlement of all the oppositions filed by us against the registration of trade mark KENT in classes 7, 11 and 21. During the talks, the undersigned had a detailed discussion with Mr Gaur, who assured me that he will talk to you and revert back, but till today no reply either verbally or written has been received from your end.

Since, we are required to file Evidence in Support of Oppositions; we would like to know, whether there are any chances of sitting across the table and settle the matter amicably.”

15. The reply of the plaintiff no.2 to the aforesaid letter was as under:

“Dear Ashit,

I am willing to settle. Do let me know your views as to how to settle it. If you have some demands do let me know.”

16. There is a clear acknowledgement on behalf of the plaintiffs in the aforesaid communications that the defendants are in the business of manufacturing and marketing domestic utensils and containers under the mark ‘KENT’ and have registered the aforesaid mark in Classes 7 and 21 in respect of various kitchen appliances. It is also acknowledged that the plaintiffs are using the mark ‘KENT’ in respect of water and air purifier systems and other healthcare products alone. Further, the plaintiffs have intended to commit that the plaintiffs shall not use the mark ‘KENT’ or

variants thereof in respect of goods for which the defendants have registered the said mark in Classes 7 and 21. Similarly, it is noted that the defendants shall not use the mark 'KENT' in respect of water and air purifiers or any goods other than mixers, grinders, juicers, blenders, chutney attachment motors, ghar ghanti and parts of such goods in Class 7 and in respect of any goods falling in Class 11.

17. The Draft Agreement, which emanates from the plaintiffs, clearly reflects the intent of the plaintiffs to share the use of the mark 'KENT' with the defendants. It is evident from the Draft Agreement that the plaintiffs at that point of time were not using the mark 'KENT' for kitchen appliances, which perhaps made the arrangement encapsulated in the Draft Agreement feasible. This is a clear acknowledgement on behalf of the plaintiffs to the user of the mark 'KENT' by the defendants.

18. In light of the aforesaid communications, it does not lie in the mouth of the plaintiff to aver that the plaintiffs became aware of the defendants and their products only in and around March 2019. In this regard, the averment made by the plaintiffs in paragraph 39 of the plaint is set out below:-

*“39. It is submitted that though Defendant No.2 had opposed the marks of the Plaintiff, **the Plaintiff's field forces never came across any product of the Defendants with the mark KENT until recently in March 2019.**”*

19. The aforesaid pleading is clearly in the teeth of the aforesaid communications exchanged between the plaintiffs and the defendants. Not only were the plaintiffs aware of the defendants using the mark 'KENT' as far back in 2012 but had also acquiesced in the said user of the mark 'KENT' in respect of kitchen appliances.

20. The non-disclosure of the aforesaid communications by the plaintiffs in the plaint amounts to gross suppression and concealment of facts. It is relevant to note herein that the aforesaid averment made in paragraph 39 of the plaint was specifically noted by this Court in the *ex parte* ad-interim injunction order passed on 13th August, 2019 as set out above.

21. Once again, it was falsely represented to the Court that the defendants have abandoned the trade mark registration application filed by the defendants in Class 21. The fact of the matter is that the registration was duly granted in favour of the defendants in Classes 7 and 21 in respect of the mark 'KENT' as far as back on 26th March, 2004 and 28th October, 2004 respectively. The use by the defendants of the mark 'KENT' has been acknowledged by the plaintiffs themselves in the Draft Agreement sent vide the email dated 11th May, 2012 by the representative of the plaintiff no.1. In view of the above, I am of the view that the *ex parte* ad-interim injunction order was obtained by the plaintiff on gross suppression and concealment of relevant facts.

22. As per the first proviso to Order XXXIX Rule 4 of the CPC, if in an application for temporary injunction or in any affidavit supporting such application, a party has knowingly made a false or misleading statement in relation to a material particular and the injunction was granted without giving notice to the opposite party, the Court shall vacate the injunction unless, for reasons to be recorded, it considers that it is not necessary so to do in the interests of justice.

23. Furthermore, a party that approaches the Court for a grant of discretionary relief has to come with clean hands and disclose all material facts, which would have a bearing on the merits of the case. It has been held

in *Wheels India Vs. S. Nirmal Singh & Ors.*, 2009 SCC OnLine Del 3251 and *Seemax Construction (P) Ltd. Vs. State Bank of India & Ors.*, AIR 1992 Del 197, that the orders granting injunction, which are obtained on account of deliberate suppression of material facts, are liable to be vacated on the ground of suppression and concealment alone. The observations of this Court in *Wheels India* (supra) are set out below:-

“18. The plaintiff, therefore, has disentitled itself to the equitable relief of injunction on account of deliberate suppression of material facts in the plaint as well as suppression of documentary evidence from the scrutiny of this Court. Concealment of material facts or documents deserves to be seriously viewed, for one who comes to the Court owes a duty to the Court to disclose all facts and documents to the Court. The contention of the plaintiff in the instant case that it had disclosed in the plaint that it was purchasing goods from the defendants is neither here nor there. The plaintiff deliberately and intentionally, in my view, hid from the Court the fact that the defendant No. 2, M/s. PRINCE Auto Industries had been dealing with the same goods, viz. wheel covers and auto accessories and had made a mark in its field of activity well before the plaintiff got registered the trademark 'PRINCE'. The plaintiff also hid from the Court the exact relationship between the plaintiff and the defendants and that there were written agreements to ensure the smooth working of the said relationship duly executed by the parties and registered with the statutory authorities. The reason for suppression of such material facts is clearly discernible. Had the plaintiff stated in the plaint that the defendant No. 2 had been in the same field of activity from the year 1998 under the trade name 'PRINCE Automobile Industries' and had the plaintiff further stated in the plaint that it had been working as the authorised stockiest of the plaintiff from the year 2001 to the 15th of September, 2004, the plaintiff, in my view, may not have succeeded in obtaining an ex parte ad interim injunction from this Court, which is enuring to the benefit of the plaintiff till date, though with some modification.”

24. In the present case also, the aforesaid documents were deliberately not disclosed by the plaintiffs to the Court as the same were detrimental to the case of the plaintiffs. If the aforesaid documents were disclosed, it is possible that the Court would not have granted the *ex parte* ad-interim injunction in favour of the plaintiffs. Concealment of material facts and documents is a serious matter and sufficient for disqualifying a litigant from obtaining relief. Reference in this regard has been rightly made by the counsel for the defendants to the judgments in ***S.J.S. Business Enterprises (P) Ltd.*** (supra) and ***Harkirat Singh*** (supra).

25. Therefore, the *ex parte* ad-interim injunction granted in favour of the plaintiffs by this Court vide order dated 13th August, 2019 is liable to be vacated on the grounds of gross suppression and concealment of material facts alone.

26. In respect of the acquiescence of the plaintiffs of the use of the mark 'KENT' by the defendants, it is relevant to refer to the observations of this Court in ***M/s. Hindustan Pencils Private Limited*** (supra), wherein it has been held that acquiescence may mean an encouragement by the plaintiff to the defendant to use the infringement mark. It is as if the plaintiff wants the defendant to be under the belief that the plaintiff does not regard the action of the defendant as being violative of the plaintiff's rights. Furthermore, there should be a tacit or an express assent by the plaintiff to the defendant's using the mark and in a way encouraging the defendants to continue with the business. In such a case the infringer acts upon an honest mistaken belief that he is not infringing the trade mark of the plaintiff and if, after a period of time when the infringer has established the business reputation, the

plaintiff turns around and brings an action for injunction, the defendant would be entitled to raise the defence of acquiescence.

27. Applying the principles of *M/s. Hindustan Pencils Private Limited* (supra) to the present case, I, *prima facie*, find substance in the submission of the defendants that the plaintiffs acquiesced to the use of the mark 'KENT' by the defendants. As discussed above, the Draft Agreement, which emanates from the plaintiffs, when supplemented by the correspondence exchanged between the parties, clearly reflects the intent of the plaintiffs to share the use of the mark 'KENT' with the defendants in respect of different goods. Furthermore, the plaintiffs did not have any issues with the defendants using the mark 'KENT' till the year 2018 as both the plaintiffs and the defendants were using the aforesaid mark in respect of different goods. It was only in the year 2018, when the plaintiffs decided to launch products in the field of kitchen appliances, that the user of 'KENT' mark by the defendants became problematic. In this regard, it has rightly been pointed out on behalf of the defendants that whereas specific dates have been given in the plaint with regard to the plaintiffs launching their oil meters in the year 1988 and water purifiers in 1999, no date has been given with regard to the launch of kitchen appliances by the plaintiffs. Thus, in my view, the plaintiffs have deliberately concealed the fact that they launched kitchen appliances only in the year 2018 and that is when the present suit was filed against the defendants, seeking injunction against the defendants using the mark 'KENT'.

28. It has been strenuously contended on behalf of the plaintiffs that the defendants have failed to place any documents or invoices on record to show

continuous and prior user of the word mark 'KENT'. The earliest invoice filed on behalf of the defendants is of the year of 2017.

29. In support of their prior user, the defendants have placed reliance upon the Quality Control Certificate dated 3rd August, 2005 issued to Shilpa Electricals and Manufacturer's Certificate dated 3rd August, 2005 issued to Shilpa Electricals to show that the defendants have been using the mark 'KENT' at least from 29th February, 2004.

30. Though, there may be some merit in the contention of the plaintiffs that the defendants have failed to file any invoices from 2004 to evidence their usage of the mark 'KENT', but the aforesaid contention stands completely diluted in light of the acknowledgement by the plaintiffs of the use of the mark 'KENT' of the defendants in the Draft Agreement shared vide the email dated 11th May, 2012. Further, the documents filed on behalf of the defendants, *prima facie*, demonstrate that the defendants have been in business since the year 1991 and have been using the mark 'KENT' at the very least from 2004. The senior counsel on behalf of the defendants has also drawn the attention of the Court to the documents filed by the plaintiffs along with I.A.5433/2021 to show that the products of the defendants with the mark 'KENT' were being sold on certain third party websites as far back in the year 2011. The documents on record also demonstrate that the plaintiffs have acquiesced from the year 2012 in the user of the mark 'KENT' by the defendants.

31. Having acquiesced to the concurrent use of the mark 'KENT' by the defendants in relation to their products, the plaintiffs are estopped from claiming to the contrary. In light of such acquiescence, the defendants cannot at this stage seek an interim injunction against the defendants.

32. It is an admitted position that defendants are the registered owners of the mark ‘KENT’ under Classes 7 and 21 of the Trade Marks Act, and the plaintiffs have not challenged the aforesaid trade marks registrations granted in favour of the defendants under Section 124 of the Trade Marks Act. Furthermore, no issue with regard to invalidity of the defendants’ mark has been framed in the present case. In this regard, reliance has been rightly placed by the defendants on *Country Inn Private Limited* (supra) to contend that the plaintiffs have abandoned the challenge to the validity of the defendants’ mark. Therefore, in terms of Section 28(1) of the Trade Marks Act, the defendants have the right to use the aforesaid trade marks as a registered proprietor. Furthermore, in terms of Section 29(1) of the Trade Marks Act, no injunction can be granted in respect of the user of a registered proprietor of a trade mark.

33. The concept of concurrent user, as recognized under Section 28(3) of the Trade Marks Act, may be reproduced as follows:-

“28. Rights conferred by registration.—

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(3) Where two or more persons are registered proprietors of trade marks, which are identical with or nearly resemble each other, the exclusive right to the use of any of those trade marks shall not (except so far as their respective rights are subject to any conditions or limitations entered on the register) be deemed to have been acquired by any one of those persons as against any other of those persons merely by registration of the trade marks but each of those persons has otherwise the same rights as against other persons (not being registered users using by way of permitted use) as he would have if he were the sole registered proprietor.”



34. In view of the fact that both the plaintiffs and the defendants are registered proprietors of the word mark 'KENT' in relation to their respective goods, both are entitled to use the word mark 'KENT'. In fact, this was the intention of the parties when the Draft Agreement, enabling co-existence or concurrent user of the mark 'KENT', was shared by the representative of the plaintiff no.1 with the defendants as far back as in 2012.

35. It may be noted that as per the judgment in *Wander Ltd. & Anr.* (supra), the Court must weigh one need against another and determine where the "balance of convenience lies" and in restraining a defendant from exercising what he considers his legal right but what the plaintiff would like to be prevented, the Court would put into the scales, as a relevant consideration, whether the defendant has already been conducting his enterprise. In the present case, the defendants have been conducting their enterprise using the mark 'KENT' since atleast when the Draft Agreement was shared vide the email dated 11th May, 2012. Therefore, the balance of convenience lies in favour of the defendants.

36. Resultantly, at this *prima facie* stage, no interim injunction can be passed against the defendants restraining the defendants from using the mark 'KENT' in respect of their products.

37. It has been contended on behalf of the plaintiffs that the defendants have also adopted the colour scheme of the mark of the plaintiffs, being white letters on a blue background, in a *mala fide* manner to give an impression to the public that the said products emanate from the plaintiffs.

38. At this stage, it would be relevant to compare the actual usage of the trade marks by the plaintiffs and the defendants as follows:-

	Plaintiffs' Mark	Defendants' Mark
Mark/Logo		
Mark/Logo		

39. The comparison above would demonstrate that besides using the word mark 'KENT', the defendants have been using the same colour scheme, being white text on a blue background, as the plaintiffs.

40. The Supreme Court in *S. Syed Mohideen* (supra) has observed as follows:

“30.1. From the reading of Section 27(2) of the Act, it is clear that the right of action of any person for passing off the goods/services of another person and remedies thereof are not affected by the provisions of the Act. Thus, the rights in passing off are emanating from the common law and not from the provisions of the Act and they are independent from the rights conferred by the Act. This is evident from the reading of opening words of Section 27(2) which are “Nothing in this Act shall be deemed to affect rights....”

30.2. Likewise, the registration of the mark shall give exclusive rights to the use of the trademark subject to the other provisions of this Act. Thus, the rights granted by the registration in the form of

exclusivity are not absolute but are subject to the provisions of the Act.

30.3. Section 28(3) of the Act provides that the rights of two registered proprietors of identical or nearly resembling trademarks shall not be enforced against each other. However, they shall be same against the third parties. Section 28(3) merely provides that there shall be no rights of one registered proprietor vis-à-vis another but only for the purpose of registration. The said provision 28 (3) nowhere comments about the rights of passing off which shall remain unaffected due to overriding effect of Section 27(2) of the Act and thus the rights emanating from the common law shall remain undisturbed by the enactment of Section 28(3) which clearly states that the rights of one registered proprietor shall not be enforced against the another person.”

41. The Supreme Court in the case of *Satyam Infoway Ltd. Vs. Siffynet Solutions (P) Ltd.*, (2004) 6 SCC 145, has held as follows:

*“13. The next question is would the principles of trade mark law and in particular those relating to passing off apply? **An action for passing off, as the phrase "passing off" itself suggests, is to restrain the defendant from passing off its goods or services to the public as that of the plaintiff's. It is an action not only to preserve the reputation of the plaintiff but also to safeguard the public.** The defendant must have sold its goods or offered its services in a manner which has deceived or would be likely to deceive the public into thinking that the defendant's goods or services are the plaintiff's. The action is normally available to the owner of a distinctive trademark and the person who, if the word or name is an invented one, invents and uses it. **If two trade rivals claim to have individually invented the same mark, then the trader who is able to establish prior user will succeed.** The question is, as has been aptly put, who gets these first? It is not essential for the plaintiff to prove long user to establish reputation in a passing off action. It would depend upon the volume of sales and extent of advertisement.*

14. The second element that must be established by a plaintiff in a passing off action is misrepresentation by the defendant to the public. *The word misrepresentation does not mean that the plaintiff has to prove any malafide intention on the part of the defendant. Of course, if the misrepresentation is intentional, it might lead to an inference that the reputation of the plaintiff is such that it is worth the defendant's while to cash in on it. An innocent misrepresentation would be relevant only on the question of the ultimate relief which would be granted to plaintiff. What has to be established is the likelihood of confusion in the minds of the public, (the word "public" being understood to mean actual or potential customers or users) that the goods or services offered by the defendant are the goods or the services of the plaintiff. In assessing the likelihood of such confusion the courts must allow for the "imperfect recollection of a person of ordinary memory".*

15. The third element of a passing off action is loss or the likelihood of it.

42. From the aforesaid jurisprudence, it is established that a passing off action is based in common law to avoid a person from riding on the reputation and goodwill of another. The purpose is to prevent confusion and deception amongst consumers and the public at large. However, in the present case, to establish a passing off action, the question of which party has prior user in respect of the said colour scheme arises.

43. The plaintiffs have filed documents to evidence user of the mark 'KENT' in the said colour scheme in respect of its water purifier systems since 1999. On the other hand, the defendants have not brought anything on record to show their user of the registered trade mark 'KENT' in the said colour scheme prior to that of the plaintiffs. Thus, this Court is of the *prima facie* view that the plaintiffs are the prior user of the mark 'KENT' in the said colour scheme. Consequently, this Court, keeping in mind that the

products of the defendants and the plaintiffs are available and sold at the same shops and establishments, is of the *prima facie* view that the user of the mark 'KENT' in the said colour scheme by the defendants is likely to cause confusion amongst the public that the goods offered by the defendants are the goods of the plaintiffs.

44. Though, I have *prima facie* held above that the defendants cannot be restrained from using the word mark 'KENT', a *prima facie* case of passing off is made out in favour of the plaintiffs in so far as the colour scheme adopted by the defendants is concerned.

45. Consequently in terms of the above, the order dated 13th August, 2019 of this Court is modified to the extent that the *ex parte* ad-interim injunction restraining the defendants from manufacturing, selling, offering for sale, advertising or in any manner dealing on product bearing a mark 'KENT' or 'KENT APPLIANCES' or variants thereof or any other mark or logo or trade name, which is deceptively similar to the trade mark of the plaintiffs, is vacated. However, an injunction is granted restraining the defendants from using the colour scheme of white and blue or any deceptively similar colour scheme to that used by the plaintiffs.

46. In light of the view that I have taken, need is not felt to refer to the remaining judgments as cited at the bar on behalf of the plaintiffs.

47. Needless to state, any observations or expression of opinion in this judgment will have no bearing on the merits of the case.

48. IA No.10997/2019 under Order XXXIX Rules 1 & 2 of the CPC and IA No. 704/2020 under Order XXXIX Rule 4 of the CPC stand disposed of in the above terms.

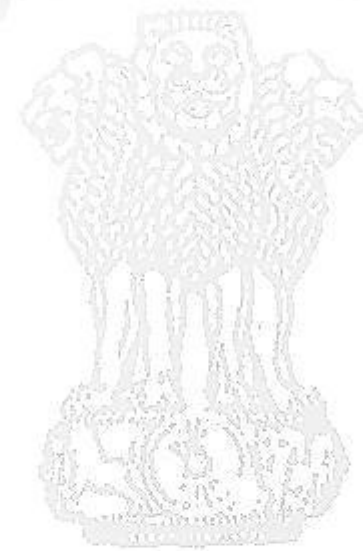
49. In the circumstances of gross suppression and concealment of facts on behalf of the plaintiffs to obtain an *ex parte* ad-interim injunction vide order dated 13th August, 2019, costs of INR 2,00,0000/- are imposed on the plaintiffs.

CS(COMM) 426/2019 & IA No.5433/2021 (u/O.XXXIX R.2A of the CPC)

50. List before the Roster Bench on 13th May, 2022.

MARCH 23, 2022
dk/ak

AMIT BANSAL, J.



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